

MINUTE ITEM

3/31/66

22. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2726.1, SANTA BARBARA COUNTY; THE ATLANTIC REFINING COMPANY, TIDEWATER OIL COMPANY, MARATHON OIL COMPANY, AND SOCONY MOBIL OIL COMPANY, INC. - W.O. 6069.

After consideration of Calendar Item 33 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO SOCONY MOBIL OIL COMPANY, INC., A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2726.1 THROUGH NOVEMBER 3, 1966, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 33 (1 page)

33.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2726.1, SANTA BARBARA COUNTY; THE ATLANTIC REFINING COMPANY, TIDEWATER OIL COMPANY, MARATHON OIL COMPANY, AND SOCONY MOBIL OIL COMPANY, INC. - W.O. 6069.

State Oil and Gas Lease P.R.C. 2726.1, containing 4,250.14 acres of tide and submerged lands in Santa Barbara County, was issued on May 4, 1961, to Richfield Oil Corporation (Atlantic Refining Company is the successor in interest to Richfield by merger), Tidewater Oil Company, The Ohio Oil Company (name subsequently changed to Marathon Oil Company), and Socony Mobil Oil Company, Inc., pursuant to competitive public bidding.

To date, three test wells have been drilled from floating barges on the leased lands, all resulting in dry holes. The last well was plugged and abandoned on July 9, 1965.

Since May 3, 1964, the Commission has granted deferments of drilling requirements under the lease through May 3, 1966.

An application has been received from Mobil Oil Company, a Division of Socony Mobil Oil Company, Inc., requesting an additional deferment of drilling requirements for a six-month period extending from May 4, 1966, through November 3, 1966.

Mobil Oil Company, operator, states that the last well cost is in excess of \$300,000, and that additional time is needed so that the lessees may more fully evaluate seismic and subsurface information before undertaking the drilling of another well on the lease.

In conformance with current Commission practice of granting deferments for periods not in excess of six months,

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO SOCONY MOBIL OIL COMPANY, INC., A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2726.1 THROUGH NOVEMBER 3, 1966, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.